

Memorandum

TO: BUILDING BETTER
TRANSPORTATION COMMITTEE

SUBJECT: BUSINESS DISTRICT
STREETSCAPE MAINTENANCE

FROM: James R. Helmer
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DATE: 05-31-05

Approved

Date 5/31/05

RECOMMENDATION

The Building Better Transportation Committee accept this report.

BACKGROUND

At the May 7, 2005 Building Better Transportation (BBT) Committee meeting, the Committee approved a report on Business District Streetscape Implementation and Maintenance. The report recommended pursuing formation of special maintenance or improvement districts in the Downtown and Neighborhood Business Districts to provide higher service levels than current funding can provide in the areas of streetscape maintenance and other services deemed necessary, such as marketing and security to the prosperity of the special districts of the City.

The basis for the recommendation to pursue formation of a special maintenance or improvement district included the following points:

- A clean and safe business district will attract additional businesses and customers.
- Existing resources are not sufficient to maintain current levels of service and will be unable to maintain the future streetscape improvements planned for the Downtown.
- Although the Downtown receives the highest level of streetscape maintenance in the City, more extensive and frequent services are needed to create an environment that will attract and kept businesses.
- An alternate funding source is needed to provide the desired level service for the Downtown and Neighborhood Business Districts.

ANALYSIS

Current Funding

Current funding levels for maintenance and cleaning activities in Downtown have declined as a result of continued budget shortfalls in the City's General Fund. The cleaning activities are competing in terms of funding priority against many other transportation related activities that are also proposed for reduction in the FY05-06 budget such as street, traffic and landscape maintenance on a citywide basis, as well as traffic calming and traffic management activities. These activities are also competing against other priority General Fund services such as public safety and recreation and cultural services. It is important to point out that, the proposed FY05-06 Budget would further reduce downtown cleaning activities by \$200,000 from current levels.

Property Based Improvement District (PBID)

Recognizing the need to increase resources within business districts, staff initiated a review of alternative funding mechanisms for this purpose. After extensive review of the various types of maintenance and improvement districts, staff determined that a Property Based Improvement District (PBID) was the most appropriate mechanism to achieve the levels of service expected. The services would facilitate improved maintenance, and contribute to greater security and marketing efforts of the Downtown and Neighborhood Business Districts (NBDs).

A PBID requires that a majority of the property owners agree to form the district and pay an annual assessment based on benefit received. The City would work with the property owners to establish the district and the funds would be collected through property tax assessments, via the County. The assessment funds, and potential City base line funding, would be provided to the PBID property owners association, which establishes priorities, and manages the district and the day-to-day operations to ensure that the resources are used in a manner consistent with the expectations of the property owners.

Many successful downtowns and business districts throughout the country have established a PBID to provide enhanced maintenance, security and marketing services. Some examples of California cities with PBIDs are San Diego, Los Angeles, Long Beach, Pasadena, Sacramento, Oakland and San Francisco.

PBID Activities to Date

The Department of Transportation and Redevelopment Agency initiated discussions with the San Jose Downtown Association (SJDA) and the NBDs on the possible creation of a PBID. Based on those discussions, the Redevelopment Agency conducted a Request for Qualifications (RFQ) process to select consultants to assess the viability of creating PBIDs in four NBDs including, Japantown, Story Road, Thirteenth Street, and West San Carlos Street. Through an interview process the Agency selected two consultants to begin contract negotiations. In NBD's where there is interest and support, establishment of a PBID will be pursued.

The Willow Glen Business Association, which is a Neighborhood Business District not in a Redevelopment Project Area, participated in the selection process and is negotiating directly with one of the consultants.

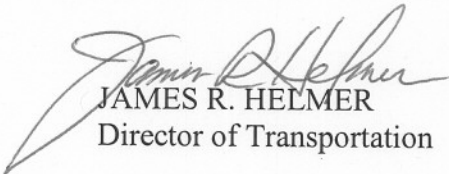
The SJDA executive board elected to conduct their own review and assessment of maintenance and enhanced service issues in the Downtown. The SJDA executive board has established a committee to assess and develop approaches to improving maintenance and security in the Downtown. Agency and DOT staff has met with the committee to review the current services provided and the service level deficiencies. Initial focus is on ensuring the most effective use of current resources provided by the City and SJRA and increasing business and property owner efforts to clean their frontages and sidewalk areas. Staff will continue to assist the SJDA in exploring various methods of improving the appearance of the Downtown streetscape, including consideration of forming a PBID.


CONCLUSION

Improving the appearance of the Downtown and NBD's in the coming years, without an alternate funding source such as a PBID, will be challenging in light of the proposed citywide reductions in streetscape maintenance necessitated by the required budget reductions.

CEQA

Not a project.


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